

Message Text

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LIMDIS

C O R R E C T E D C O P Y PARA 2 (C)

EO 11652: GDS

TAGS: EMIN, EIND, NS

SUBJ: SURALCO MOVES TO QUIET WORKER RESENTMENT AND PUNISH
RIOTERS

RRE : PARAMARIBO 0384

1. SURALCO/ALCOA REMAINS DETERMINED THAT THOSE IN FOREFRONT OF DESTRUCTIVE RIOTS AT PARANAM SMELTER/REFINERY COMPLEX LAST WEEK (REFTEL) BE PUNISHED BY COURTS BOTH ON PRINCIPLE AND TO DISCOURAGE FURTHER DEPREDATIONS. COMPANY BELIEVES THIS ESSENTIAL TO MAINTAINING MANAGEMENT CONTROL. MINPRES ARRON ACKNOWLEDGES THESE POINTS, HAS INDICATED TO SURALCO HE WILLING TO PROCEED AGAINST RIOT LEADERS, BUT IS CLEARLY RELUCTANT DO SO FOR POLITICAL REASONS.

2. FOLLOWING OTHER POINTS EMERGED THIS MORNING FROM DISCUSSION WITH ALCOA VICE PRES JOE YATES (ALSO SURALCO PRES) AND ALCOA MANAGERS FOR OVERSEAS INDUSTRIAL AND PUBLIC RELATIONS WHO ARRIVED OVER WEEKEND TO ASSESS SITUATION, AND SURALCO MANAGER BUSTION:

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A. COMPANY HAS DECIDED DISSOLVE LABOR POOL OF REDUNDANT EMPLOYEES, RESENTMENT OF WHICH, TOGETHER WITH UNCERTAIN PROSPECTS FOR FUTURE EMPLOYMENT, WAS PROXIMATE CAUSE OF RIOTING. EMPLOYEES WILL BE ASSIGNED TO OTHER TASKS AND SPREAD AROUND TO DIFFERENT DIVISIONS AS BEFORE.

B. SURALCO HAS ABOUT DECIDED IT WILL BE IMPOSSIBLE TO FIRE ANY OF REDUNDANT WORKERS; THAT ONLY WAY OF DROPPING THEM EXCEPT BY ATTRITION IS BY INDUCING DEPARTURE THROUGH SUBSTANTIAL CASH SETTLEMENT.

C. COMPANY PLACES MORE STRESS ON OUTSIDE PROVOCATION BY LEFTIST ELEMENTS THAN ON SPONTANEOUS UPWELLING OF FRUSTRATION OVER JOBS AS UNDERLYING CAUSE OF DISTURBANCES. (SURALCO HAS NO FIRM PROOF OF THIS ALTHOUGH LABORERS HARANGUED BY LEFTIST LABOR LEADER PRIOR RIOTS. (CONGEN BELIEVES FRUSTRATION THE MORE IMPORTANT FACTOR THOUGH LEFTIST FISHING IN TROUBLED WATERS ALSO PRESENT.)

D. LIVES OF SIX SURINAMER STAFFERS REPORTEDLY THREATENED AND NON-RIOTING WORKERS NOW UNCERTAIN REGARDING FUTURE CONDITIONS AT PARANAM; THOSE ABLE TO DO SO WONDERING IF THEY SHOULD DEPART FOR HOLLAND. (BUSTION TOLD ME YESTERDAY THREATENED STAFFERS WERE MOVED TO COMPANY HOUSING IN PARAMARIBO). DESPITE PROSPECTIVE SETTLEMENT OF POTICE GO-SLOW, ATTORNEY GENERAL TOLD BUSTION THIS MORNING THAT POLICOHPROTECTION UNAVAILABLE SHOULD RUMORED DISTURBANCE TAKE PLACE AT PARANAM TODAY. (BUT MINJUSTICE AND POLICE ASSURED ME THROUGH POLITICAL AIDE TODAY THAT PRECAUTIONS TAKEN AND "NO NEED FOR ANXIETY.")

E. SURALCO REVIEWING ENTIRE EMPLOYEE RELATIONS PROGRAM, BELIEVES COMPANY MAY NOT HAVE BEEN AS SENSITIVE TO SOME GRIEVANCES INVOLVING PRIDE AND FACE AS MIGHT HAVE BEEN, HOPES TO MOVE QUICKLY ON THIS IN (PROBABLY CORRECT) CONVICTION PERSONS UNKNOWN WILL BE SEARCHING FOR NEW ISSUES TO EXPLOIT TO COMPANY'S DETRIMENT.

F. YATES IS NOT OPTIMISTIC ABOUT CLIMATE IN WHICH COMPANY WILL OPERAZE HERE IN FUTURE, PICTURES SITUATION IN WHICH SURALCO COULD CONCEIVABLY BE FORCED
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TO SHUT DOWN. HE HAS APPOINTMENT
WITH MINPRES ARRON TOMORROW AND WILL GO OVER GROUND WITH HIM, REPORTING RESULTS TO ME BEFORE DEPARTURE.

3. DURING COURSE OF MEETING, I MADE FOLLOWING OBSERVATIONS TO YATES AND BUSTION:

A. THE PRINCIPLE OF TAKING TO COURT THOSE WHO HAVE DESTROYED

PROPERTY AND THREATENED INJURY IS SOUND. WE ARE CONCERNED WITH THE SITUATION AND THE GOS HAS BEEN INFORMED OF OUR INTEREST THAT PROTECTION BE FORTHCOMING.

B. HOWEVER, IT WOULD BE A MISTAKE TO INSIST ON PROSECUTION OF AN ESTIMATED 30 RINGLEADERS THE COMPANY CLAIMS CAN BE IDENTIFIED. LEFTISTS AND LABOR FIREBRANDS COULD EXPLOIT THIS AS A MASS PERSECUTION, AND ARRON WOULD PROBABLY BALK AT IT. THE NUMBER SHOULD BE BOILED DOWN TO MOST SERIOUS OFFENDERS WHOSE POSSIBLE CONVICTION WOULD MAKE THE POINT EQUALLY WELL.

C. SPEED IN MAKING ANY EMPLOYEE RELATIONS REFORMS, AND A COMPREHENSIVE SOLUTION TO REDUNDANCY PROBLEM IS ESSENTIAL TO REMOVING ISSUES FROM PUBLIC ARENA AND FROM LEFTIST ATTENTION. QUICK DISSOLUTION OF LABOR POOL BIG STEP IN RIGHT DIRECTION.

D. THINGS NOT YET SO DARK FOR COMPANY AS YATES TENDS TO SEE THEM. BUT IT IS DOUBTFUL THAT ITS OPERATING ATMOSPHERE WILL IN FUTURE BE SO SERENE AS IT WAS. ATTITUDES TOWARD COMPANY REMAIN RELATIVELY FAVORABLE WHERE IT MOST COUNTS - AMONG GOS MODERATE LEADERSHIP.

4. COMMENT: COMPANY APPEARS BE MOVING WITH DESPATCH TO TAKE MEASURES PRESERVATIVE OF GOOD POSITION IT HAS CAREFULLY BUILT UP OVER YEARS HERE, AND SHOWS HEALTHY RECOGNITION OF POSSIBLE COMPLACENCY OVER EMPLOYEE RELATIONS. IT REMAINS EMPLOYER OF PREFERENCE FOR MOST SURINAMERS. THERE IS, HOWEVER, SOME DANGER OF EXCITING ARRON'S PIQUE IF COMPANY PUSHES TOO HARD TOO FAST FOR PUNISHMENT OF LEADING RIOTERS. THE MINPRES IS SORELY PRESSED THESE DAYS KEEPING HIS COALITION IN LINE AS INDEPENDENCE APPROACHES, AND IDEA OF PROSECUTING WRONG-DOING SURINAMERS IN NAME OF FOREIGN CONCERN MUST STRIKE HIM AS POSSIBLE POLITICAL HAZARD HE COULD DO WITHOUT.
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